



January 2003

State Need Grant Update

Executive Summary

In 2001-2002, the State Need Grant Program distributed \$90.2 million dollars in grants to nearly 50,000 students. At the close of the fiscal year the institution reported an additional 2,300 enrolled students who were eligible for need grants but did not receive them due to a lack of funds.

For 2002-2003, we estimate the program will expend \$105 million in grants to about 52,000 students. It is too early in the year to accurately predict the number of eligible enrolled students who will not be given a grant due to a lack of funds. However, the fall progress reports submitted to the Higher Education Coordinating Board by the institutions indicate that there will be unserved students again this year.

On November 19, 2002, Higher Education Coordinating Board staff convened a meeting of State Need Grant stakeholders. At that meeting several issues were identified that the group plans to consider further. At this time, the Higher Education Coordinating Board staff is soliciting additional input from the stakeholders. In consultation with the Board's Financial Aid Committee, staff will continue to work with the stakeholders over the next few months and determine if there are recommendations for rules changes or statutory changes to bring before the full Board.

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Overview

This is an update on the State Need Grant program's expenditures and activity. Included is a summary of the 2001-2002 year-end reconciled disbursements and a report on 2002-2003 activity to date.

Currently, 73 institutions participate in the State Need Grant (SNG) program. This is one more than in 2001-2002. This past fall, Antioch College was admitted into the program following a statutory change passed in the 2002 Legislative Session modifying the SNG definition of eligible institution.

2001-2002 Summary

In 2001-2002, the Board had a total of \$90.2 million available for awards to students from all sources including federal matching funds. All but nine thousand dollars of the total available was delivered to 49,745 students. Attached is a school-by-school table detailing the numbers of students served and dollars disbursed, (see Appendix A).

In 2001-2002, virtually 100% percent of the appropriation was spent. With the exception of the 1999-2000 academic year, State Need Grant expenditures have always been greater than 99 percent of available funds, (see Appendix B).

In 2001-2002, the income eligibility cutoff was 55 percent of the state's median family income or about \$33,500 for a family of four. The grant award amounts varied by sector. As a percent of tuition the grant awards ranged from 99.8 percent of tuition at the community colleges, to 86.5 percent at the public research institutions.

2001-2002				
Sector	SNG Award Amounts	Avg. Tuition ¹	Difference between SNG Award and Tuition	SNG Award as a % of Tuition
Research	3,360	3,885	525	86.5%
Regionals	2,730	3,007	277	90.8%
CTC/Private Voc	1,740	1,743	3	99.8%
Private 4 Year	3,594	3,885	291	92.5%
1. The maximum grant for SNG recipients at private four-year colleges is limited to the value of tuition and fees at the public four-year research institutions. Therefore the tuition recognized for private four-year colleges is the same as the public research universities.				

The 2001-2002 year saw a significant increase in the enrollment of low-income SNG eligible students. By the end of the 2001-2002 year, schools indicated that about 2,300 additional SNG eligible students had enrolled than could have been predicted at the beginning of the year. These students were eligible for the SNG, but did not receive awards due to a lack of funding.

2002-2003 Update

For the 2002-2003 academic year, the Board has \$104.8 million available for grants to students, including about \$1.7 million from federal matching funds. The Board staff expects that about 52,000 students will be served with the grant this year. Attached is a table showing each school's current SNG reserve for grants to students, (see Appendix C).

The authorizing budget proviso indicated that the Board is to first serve students at the 55 percent income cutoff level. Grants were increased in response to the authorized tuition increases, however, the increase was only sufficient to cover about 70 percent of the amount needed to hold SNG recipients "harmless" from the tuition increase on a dollar-for-dollar basis.

This increased the gap between tuition and the grant award. For example, the gap for research university students went from \$525 to \$691.

2002-2003				
Sector	SNG Award Amounts	Avg. Tuition¹	Difference between SNG Award and Tuition	% of Tuition
Research	3,798	4,489	691	84.6%
Regionals	3,026	3,407	381	88.8%
CTC/Private Voc	1,908	1,982	74	96.3%
Private 4 Year	4,032	4,489	457	89.8%
1. The maximum grant for SNG recipients at private four-year colleges is limited to the value of tuition and fees at the public four-year research institutions. Therefore the tuition recognized for private four-year colleges is the same as the public research universities.				

Schools are required to submit quarterly Interim Reports detailing their SNG expenditures and the eligibility of their enrolled students. Based on the early November report it appears that the SNG program will again be 100 percent expended by the end of the year.

While the November report comes too early in the processing year to provide a definitive count of unserved students, it appears as though there will again be more State Need Grant eligible students enrolling than there are funds to serve them. The next quarterly Interim Report is due from school in February.

Community & Technical Colleges (continued)	Reserves
Green River	732,001
Highline	1,659,008
Lower Columbia	1,152,239
South Puget Sound	1,192,375
Olympic	1,433,167
Peninsula	763,299
Seattle Central	1,722,599
North Seattle	770,193
South Seattle	694,239
Shoreline	1,190,566
Skagit Valley	1,201,367
Spokane	4,916,019
Spokane Falls	3,215,913
Tacoma	2,256,633
Walla Walla	1,135,523
Wenatchee Valley	1,295,526
Whatcom	1,178,790
Yakima Valley	2,059,952
Northwest Indian College	286,054
Bates	851,040
Bellingham	400,779
Clover Park	1,268,199
Lake Washington	506,675
Renton	558,136
Seattle Vocational	152,735
Sector	Reserves
Private Career Colleges	
ITT - Seattle	202,948
ITT - Spokane/Bothell	356,131
Business Technical Institute	1,180,981
Divers Technology	15,532
Int'l Air Academy	62,724
Interface Computer	193,959
Crown College	48,792
Gene Juarez	156,783
Bryman	263,464
Art Institute	464,702
Perry Technical	173,900
Court Reporting Institute	136,251
Clare's Beauty College	102,090
Glen Dow	90,269
** TOTAL **	104,549,406

2002-2003 SNG State Appropriation	104,913,000
Less 1.8 Admin. Allowance	1,847,326
Reserve for Transfer Fund	257,832
Available for School Reserves From State	102,807,842
Add SLEAP/LEAP Federal Funds:	1,741,564
Total funds available for school reserves	104,549,406

State Need Grant General Fund - State Expenditures
Compared to General Fund - State Appropriations
FY 1991 through FY 2002

Year/Biennium	General Fund – State Appropriation <i>(in millions)</i>	Unspent <i>(in millions)</i>	Percent Expended
1991-93 Biennium	\$42.4	\$0.0	100.0%
1993-95 Biennium	\$95.0	\$0.3	99.7%
FY 1996	\$55.3	\$0.3	99.5%
FY 1997	\$57.2	\$0.0	100.0%
FY 1998	\$67.3	\$0.7	99.0%
FY 1999	\$74.0	\$0.4	99.5%
FY 2000	\$80.2	\$4.1	94.9%
FY 2001	\$87.7	\$0.0	100.0%
FY 2002	\$90.6	\$0.0	100.0%

2002-2003 State Need Grant Reserves
(as of January 16, 2003)

Sector	Reserves
Research	27,616,935
Comprehensive	19,969,707
Reciprocity	7,830
Private 4 year	9,725,335
Comm. Colleges & Tech Colleges	43,781,073
Private Career Colleges	3,448,526
Total	104,549,406
Research	
UW	15,996,760
WSU	11,620,175
Comprehensive	
CWU	5,389,133
EWU	5,806,952
TESC	3,200,999
WWU	5,572,623
Reciprocity	
North Idaho College	7,830
Private 4 year	
Antioch	25,000
Bastyr College	175,352
Cornish	422,380
Heritage	1,243,418
Gonzaga	1,185,484
Northwest College	391,080
Pacific Lutheran	1,686,206
St Martins	578,065
Seattle Pacific	729,319
Seattle University	1,306,775
University of Puget Sound	420,578
Walla Walla College	491,792
Whitman	158,930
Whitworth	831,819
NW College of Art	23,771
Henry Cogswell	55,366
Sector	Reserves
Community & Technical Colleges	
Bellevue	1,180,069
Big Bend	949,351
Cascadia	190,656
Centralia	713,003
Clark	1,831,649
Columbia Basin	1,371,148
Edmonds	1,365,335
Everett	1,060,361
Pierce	1,670,579
Grays Harbor	855,895